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6 AUG 1971

MEMORANDUM FOR: Deputy Director for Support  
THROUGH : Director of Finance  
SUBJECT : Retention of Certain Office of Finance  
Records  
REFERENCE : Executive Director-Comptroller's Memorandum  
dated 10 June 1971 (ER 71-3488/1),  
Subject: Control of the Agency's Records  
Storage Growth

1. This memorandum is primarily for the information of the Deputy Director for Support. However, we seek the DDS concurrence to paragraph 9 which outlines a course of action this Staff proposes to pursue in resolving subject issue with the DDP.

2. The recently instituted policy established by referent memorandum, limiting each directorate's deposits to the Records Center to 1,000 cubic feet net increase in FY 1972 and successively smaller increments during the ensuing years, makes it imperative that we take early and definitive action to live within the "quota" assigned to the Support Directorate. There are many avenues open to us and one of the more obvious steps we can and should now take is to destroy records that have exceeded their functional usefulness for Support Offices and whose retention is no longer required by law or other Federal records retention standards. In some instances we are keeping large quantities of records for "contingency" purposes at the insistence of DDP/CI Staff.

3. The Office of Finance has a large volume of records which according to the National Archives and Records Service and the Comptroller General standards require legal retention for 12 years. These records are headquarters vouchers and field station accountings, both of which contain travel accounting records (PCS and TDY) as well as operational entertainment and expense vouchers.

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4. For ten years the Office of Finance and the CIA Records Administration Officer have tried to remove the impediments which have forestalled orderly disposal of these records after the legal retention requirements have expired. Initially the problem was one of securing agreement from the Comptroller General that the records could be destroyed without GAO audit, and that CIA audit would suffice. This was resolved 2 November 1967 on which date at CIA request the Comptroller General approved a financial records retirement program which included authority to destroy these records after the legal retention period of 12 years has expired.

5. Unfortunately, the subject field records contain intermingled indigenous payroll records, the retention period for which is 56 years. On 29 March 1968 the Director of Finance addressed a memorandum to the Deputy Director for Support seeking to have a 12-year retention period established for the indigenous payroll records to permit their disposal coincident with the disposal of the other records contained in the headquarters vouchers and field accounting collections. This memorandum was referred for review and comment to the Director of Security; Chief, CI Staff, DDP; and the Deputy Director for Plans. The Director of Security concurred 22 April 1968. In an 8 May 1968 memorandum, the Chief, CI Staff nonconcurred on a broad basis, objecting to the legally approved 12-year retention period for headquarters vouchers and field accountings and specifying that CI Staff needs the records to be retained for 30 years. In sum, the CI Staff rationale for retaining these records beyond the 12-year legal retention period is based on their expressed need to effectively carry out their responsibilities in highly important sensitive CI cases. They state that:

a. Financial records permit detailed reconstruction of travel and assignments of Agency personnel which CI claims is impossible to obtain from any other records in the Agency. They claim that these records are an essential source for determining that a certain individual is in a certain place at a particular time.

b. CI's rationale for retention of operational entertainment vouchers is less clear (particularly since these vouchers do not have true name identity of agents or prospective agents -- these are presumably maintained

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in project operational records within the DDP), however, CI Staff contends these finance documents may reveal "other actions" (other than contained in the official CS ops files) on staff, staff agent, and contract personnel which become highly important in cases involving operational security.

The Deputy Director for Plans on 17 May 1968 agreed with the Chief, CI Staff memorandum. On 23 August 1968, the DDS returned the Office of Finance proposal to the Director of Finance without approval.

6. At present, the problem of the comingling of indigenous payroll records with other financial records is being resolved. Upon the arrival of field accountings in headquarters, the Office of Finance is screening these files to segregate and remove indigenous payroll records (for 56-year retention). Steps are being taken to have the accounting files established in the field separately from indigenous payroll records; thus, headquarters screening will eventually become unnecessary. Non-current field accounting records, including those in the Records Center, will also be screened by the Office of Finance on a time available basis to remove indigenous payroll record material.

7. As of 21 July 1971, there were 2,500 cubic feet of headquarters vouchers and field accounting records over 12 years old. It is of interest to note the volume which will become 12 years old, thus subject to legal destruction, during the next 3 years:

In 1972	-	450 cubic feet
In 1973	-	450 cubic feet
In 1974	-	530 cubic feet

Taking this volume into consideration, as well as newer records accumulations in this category, it is apparent that during the next ten years approximately 500 cubic feet per year could be legally destroyed but for the CI Staff request that they be retained for 30 years.

8. We are aware of the difficulty involved in challenging the CI Staff's contention that there exists a valid justification to retain these records for CI contingency purposes, however, it is clear that the operational and legal use in the Support Directorate ends when they are 12 years old. This is the largest single collec-

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tion of records in the Support Directorate and it is now growing at an annual rate of 500 cubic feet. The DDS simply cannot live within the 1,000 net cubic feet annual allocation if we cannot destroy these records when they reach the 12-year legal retention period. Additionally, from a cost effectiveness standpoint, long term retention is an ever increasing burden. For example, the 2,500 cubic feet that we could now destroy will occupy new motorized shelving at a capital investment cost of \$15,000 and requires another \$2,500 in annual overhead costs. If nothing is done this collection would continue to grow at an annual rate of 500 cubic feet, costing \$4,000 in capital investment and overhead charges each succeeding year. By 1979, the first year we could begin to destroy records on the 30-year retention basis, costs would have mounted to \$42,000 in capital investment and over \$41,000 in overhead charges. Conversion to microfilm is an alternative if DDP insists a 30-year retention basis but this even is more expensive. Although DDP/CI has already taken the position that the frequency of their requests for searches of these finance records is not a substantive basis for judging their value, we contend that it should be a significant factor. In this regard, Office of Finance reports that they have no record of a DDP reference request during FY 1970 and 1971 involving accountings that are past the 12-year retention period.

9. Subject to concurrence of the DDS, we intend to pursue the following course of action to resolve this problem:

a. At the Support Services Staff level formally request the DDP/RMO and DDP/CI Staff to: (1) review the subject 12-year old records again in view of the lack of reference activity, the costs (dollar and space) of retaining these records, and the validity of CI Staff rationale on retention in relation to other Clandestine Services record retention priorities. See attached memorandum.

b. If the DDP review results in their desire to maintain the current 30-year retention policy, transfer Records Center space allocation "charges" on these records from the Office of Finance to the DDP. Additional records in this category would also be "charged" to the DDP as they pass the 12-year legal retention period (approximately 500 cubic feet per year). Office of Finance would retain technical control over the records. It should be pointed out that such an immediate transfer

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of 2,500 cubic feet of records (unless offset by reductions in other DDP Records Center holdings or by the DDP undertaking a major program to microfilm this collection) would cause the DDP to exceed by 1,500 cubic feet its FY 1972 allocation for Records Center deposits. This no doubt would trigger our first major test of the new records storage policy and would presumably end up with the Executive Director-Comptroller for resolution.



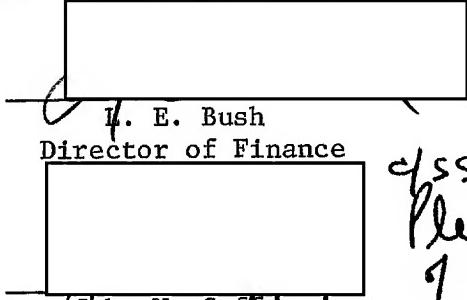
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Chief, Support Services Staff

Attachment

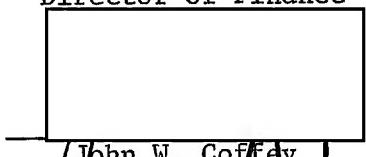
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CONCUR:



6 AUG 1971

J. E. Bush  
Director of Finance



John W. Coffey  
Deputy Director  
for Support

c/s/s

Please check back after completion  
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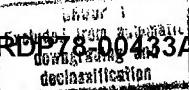


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